

Paper: Arizona Republic, The (Phoenix, AZ)

Title: A sprawling parcel of state land near the Superstition Mountains could become a traffic-choked, cookie-cutter subdivision or a master-planned, innovative community that would be ... - BREAKING NEW GROUND

Date: April 2, 2006

About 30 miles east of Phoenix, just past Apache Junction, is a giant swath of desert that could be the cornerstone of the Valley's growth for decades to come.

At 275 square miles, it will be the largest parcel the State Land Department has ever sold.

But before the auctioneer steps before a roomful of eager developers, an unlikely alliance of governments, utilities and conservationists wants a plan in place that would prevent the property from being turned into another web of poorly planned subdivisions with the same transportation and infrastructure problems that plague many of the Valley's fringe developments.

The groups have reason to be concerned: By 2060, almost 1 million people could live in Superstition Vistas, as the expanse of desert between Apache Junction, the Superstition Mountains, Queen Creek and Florence is known.

If Superstition Vistas is developed in the same way as other large parcels of state land, it could play out like this: The state would sell small pieces of property, developers would build large, expensive homes in sprawling subdivisions, and traffic would snarl almost immediately. Utility companies and governments would struggle to keep up with the growth.

To keep that from happening, the cities closest to Superstition Vistas, along with Pinal County, Salt River Project, Central Arizona Project and the Sonoran Institute, want a development plan in place for the entire parcel before the first shovelful of dirt is turned.

That is why the groups paid the Morrison Institute for Public Policy at Arizona State University \$200,000 to do some big thinking about the potential of the parcel, which is bigger than all Mesa, Gilbert, Tempe and most of Chandler combined.

The resulting study, titled "The Treasure of the Superstitions," lays out a vision that is sweeping and groundbreaking. It could be a blueprint for reshaping the way state land is developed. But using the report as a template for change would require modifying the charter of the State Land Department.

The 31-page report presents three scenarios for how the land should be developed:

- * Thinking Big: Before homes are built, complete infrastructure, including freeways, roads, utility lines, drainage corridors and open space.
- * Simple Green: Create a sustainable community that would use less water and power.
- * Superstitionville: Establish a city government before development began. An appointed council would create a detailed plan for the area's growth.

Parts of all three scenarios could go into a plan for Superstition Vistas. But creating a new city likely won't be popular with neighboring municipalities that want to annex part of the land for their own growth. When the report is presented to all the groups with interests in the land, the debates will begin.

Big landowner

The Land Department holds in trust more than 9 million acres across Arizona, making it the state's biggest landowner. It sells the land bit by bit, with the bulk of the proceeds going toward education.

Last year, it sold a record \$515 million in land. But the agency, which operates under archaic laws established almost 100 years ago, says it could do even better if it had the staff and the budget to keep up with the state's explosive growth. It also would like the ability to weigh in on how the land it sells is used. Now, it must sell to the highest bidder, with almost no regard to development plans.

Like the groups that commissioned the Morrison report, the Land Department would like to see state land developed more thoughtfully.

But that, and all the proposals in the study, hinges on voters approving a reform measure that would give the agency the ability to attach conditions to the use of land it sells.

"We need to think big about this land. It's the chance to change the way the Valley grows," said Grady Gammage, a real estate attorney and senior research fellow with the Morrison Institute.

Little more than framing plans for Superstition Vistas is expected until after the November election. If an extensive reform package is approved, it will be a whole new ball game for the Land Department. Then, the agency could develop a master plan and then work hand in hand with developers to implement it.

If reform is approved, developers will need to adjust to it. Cities will, too, but they've already started.

Pinal County Supervisor Sandie Smith said government in the booming county knows growth is coming and wants to plan for it now instead of playing catchup later on. The county helped pay for the Morrison study.

"No one developer is going to take on planning almost 200,000 acres for transportation, drainage, etc.," she said. "We've got to work with the state to give it what it needs to make growth on this land more orderly."

Growth at crossroads

A growing group of planners and conservationists, as well as cities and developers don't want the Valley to keep growing the same way, with new homes leading the way before infrastructure.

They fear that metropolitan Phoenix is on track to become the next Los Angeles, a city where long commutes and water and pollution issues dominate.

Already the Valley is experiencing clogged freeways, multiple bad-air days and soaring home prices for houses even on the fringes. Municipalities, developers and the Land Department all thrive on growth, but all are beginning to question whether people will continue to move to the Valley.

Pinal County's growth is recent and explosive. Five years ago, only 10 percent of the Valley's new homes were going up there. Last year, nearly 35 percent of all new homes, almost 25,000 houses, were built in the county.

Roadways in Pinal and East Valley cities are jammed, and some residents' commutes to Tempe and central Phoenix, particularly along the Hunt Highway just west of Superstition Vistas, are topping an hour.

Seeing how the growth of bedroom communities in just the past few years has choked freeways, clogged side streets and turned desert and farmland into construction zones, leaders in the East Valley and Pinal County want to do what they can to keep future development from making the situation worse.

That is why they think the timing could be right for a new model for development. Those who paid for the Morrison report see Superstition Vistas as the place to begin.

Metropolitan Phoenix doesn't yet have the water issues of other desert cities. But Scottsdale and Tempe are paying homeowners to take out their lawns. Planners are concerned the Valley could have bigger water problems if new developments don't plan better for water.

The Simple Green growth scenario from Morrison calls for water use not to exceed 100 gallons per person per day in Superstition Vistas. That is half of what was used in metropolitan Phoenix last year and 30 percent lower than water use in Tucson, the best large Arizona city at conserving water.

Superstition Vistas does have immediate access to the Central Arizona Project Canal; it runs through the property. But, like other developments, Superstition Vistas would have to compete for water.

"We have been lucky. We have had a plentiful low-cost supply of water for a while," said Larry Dozier, deputy general manager of the CAP, which helped pay for the Morrison study. "But it won't always be that way."

Large developments that won't be built out until 2050 or 2060 must plan for higher water costs and shortages now. Some growth scenarios call for 12 million people living in the Valley by then. If the area experiences more severe droughts and the Native American tribes don't want to sell developers water, there could be shortages then.

Asked about Pinal County and the Morrison report's emphasis on infrastructure first, Victor Mendez, director of the Arizona Department of Transportation, said, "We are trying to do our transportation planning with their land planning."

He said working with the State Land Department could be a model that could spread to the private sector.

In February, ADOT released a map with proposed freeways and extensions or reroutes for Pinal. It calls for widening Arizona 79, which slices down the middle of Superstition Vistas, and rerouting part of U.S. 60 around Apache Junction to help with preserving the northern side of the property. It also proposes as many as three freeways to connect the land to the Valley and Eloy.

The overall price tag for the roads is about \$6 billion. For any of the Morrison Institute's proposals for Superstition Vistas to work, the site would have to have these roadways, according to the study.

If voters approve a state land reform measure this fall, the agency will be able to give municipalities and ADOT the land to build the roads if they would increase the value of state land around them. Now, ADOT or cities must buy land to build roads.

State growth

Morrison's proposals for growth at Superstition Vistas could be models for other state land parcels in the Valley and Tucson.

Sandwiched between Buckeye's Verrado development and Goodyear is a length of state land that both cities are eyeing.

South of Interstate 10 in the southwest Valley is more state land that Goodyear would like to incorporate.

But state land is most critical to Tucson's growth. The city's boundaries have jumped out to Marana to the north and Benson to the southwest, beyond state land that surrounds the city.

"People are realizing the ways things are going with growth in Arizona aren't always all that desirable," said Rob Melnick, director of the Morrison Institute. "Superstition Vistas could change it for many areas. If the State Land Department gets the reform it needs to make more highly planned development happen, it could happen statewide."

He said that would raise the standards for other developers.

The closest example Morrison could find for its proposals for Superstition Vistas is Irvine Ranch in Southern California. Like Superstition Vistas, Irvine Ranch had only one landowner. But the California project is only about half of the size of Superstition Vistas.

Plans for Irvine Ranch started in the 1960s, and it's projected to be completed in 2020. So far, jobs outpace households three-to-one in Irvine Ranch, part of a well-managed plan to ensure the development was more than a bedroom community. Open space and preserves cover more than half of the development.

In Irvine, one landholder, a private trust, made decisions about land use first, then sold parcels for specific uses, creating employment zones, housing centers, parks, even a University of California campus. Under current law, Arizona's Land Department couldn't do that. It has to sell to the highest bidder, even if the bidder's plans for the land don't fit into the agency's "master plan."

A start for land reform

The scenarios from the Morrison Institute are just suggestions. Putting them into action hinges on reform for the Land Department.

Without reform, the agency would have no power to enforce the report's proposed guidelines on water and power or infrastructure. It also would lack the money to do presale prep work in an efficient way.

That lack of money and teeth leaves the agency struggling to compete in today's fast-paced real estate market. Its annual planning budget for its 9 million-acre portfolio is about \$80,000. That wouldn't even pay for a soil study for the 176,000-acre Superstition Vistas.

"Superstition Vistas sits out there vacant, not because there aren't buyers for it, but because we can't plan it. We don't have the money," said Mark Winkleman, director of the Land Department. "Our inability to plan the land has caused development to leap over it. That's not supposed to happen."

That doesn't mean Superstition Vistas would sit vacant. "It will just be developed much more slowly," he said.

Voters likely will be able to consider two reform measures this fall. Both would help the agency implement some of the report's scenarios, but one, put forth by Conserving Arizona's Future, would give the Land Department more money. That would let the agency pay for its own engineering, soil, zoning and traffic studies and sell the land more like a developer would. It also would allow the agency to work with real estate firms to develop projects on state land, which could mean more money for education.

Developers have estimated that Superstition Vistas would be worth \$9 billion to education if it was sold as raw land. But it could bring in \$35 billion if the Land Department could work with a firm to prepare the land -- obtain proper zoning, build roads, install sewers -- before selling it to developers.

To get a head start on planning Superstition Vistas, the Land Department tried something new last year: It put out a request for proposals to plan an 8,800-acre chunk of the site known as Lost Dutchman Heights.

The deal attracted international attention because the real estate firm that gets in first could end up developing much of Superstition Vistas. But it's a big risk because the Land Department can't make any guarantees about who gets to develop the land.

The Land Department picked Australian-based Lend Lease to plan Lost Dutchman Heights.

The firm, which has redeveloped several U.S. military bases into housing communities, must pay about \$3 million to survey and plan the land that already has been annexed into Apache Junction.

It will get to bid on 1,700-acres of the site this year, and it could be outbid.

But the risk could be worth it for Lend Lease. If voters approve land reform, the developer, or any other, could work with the Land Department to develop more of Superstition Vistas into something straight out of the Morrison Institute's report.

That is what surrounding communities are hoping for, too.

"We watched development come up to us like a tide, hit the state land and then splash over us into Coolidge and other areas," said Apache Junction City Manager George Hoffman. "We have been waiting on Superstition Vistas and are ready to grow differently."

The next frontier?

Superstition Vistas is 275 square miles of state trust land in Pinal County. A report by ASU's Morrison Institute recommends taking a thoughtful approach to developing it, but that would require reforming the State Land Department.

The report says:

- * 1 million: People are expected to live in Superstition Vistas by 2060.
- * \$35 billion: Could be made from the land's sale if state could partner with firms to develop it.
- * 3 scenarios: Are worth considering: Build roads first; set up a city government to plan growth; go "green."

Reach the reporter at catherine.reagor@arizonarepublic.com or (602) 444-8040.

CAPTION: Lay of the land CAPTION: Transportation plans CAPTION: Inside Arizona's trust land CAPTION: 1) U.S. 60 stretches through empty desert past Gold Canyon in the East Valley. At 275 square miles, the Superstition Vistas will be the largest parcel the State Land Department has ever sold. 2) Without reform, the Land Department has no power to enforce proposed guidelines on water or infrastructure.

FCTL002826

Author: Catherine Reagor, The Arizona Republic

Section: Front

Page: A1

Copyright (c) The Arizona Republic. All rights reserved. Reproduced with the permission of Gannett Co., Inc. by NewsBank, inc.